

Introduced by Senator Nguyen

February 23, 2015

An act to add Section 50464.5 to the Health and Safety Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 341, as introduced, Nguyen. Housing: local fees: study.

Existing law authorizes the Department of Housing and Community Development to make investigations of housing and community development in the state.

Existing law requires fees charged by a local agency for specified purposes, including zoning variances, zoning changes, use permits, building inspections, building permits, the processing of maps under the provisions of the Subdivision Map Act, and planning services, to not exceed the estimated reasonable cost of providing the service for which the fee is charged, unless a question regarding the amount of the fee charged in excess of this cost is submitted to, and approved by, $\frac{2}{3}$ of the electors.

This bill would require, by January 1, 2017, and every 5 years thereafter, the department to conduct a statewide survey of cities and counties to determine the total amount of fees and charges imposed on new home construction by local jurisdictions and submit the survey to specified committees of the Legislature.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares the following:

(a) According to the most recent United States Census, California's poverty rate is 16 percent, 1.4 percent higher than the national rate of 14.6 percent. However, under an alternative method, also calculated by the United States Census Bureau, called the Supplemental Poverty Measure, California has the highest poverty rate in the nation at 23.4 percent, well above the national alternative rate of 15.5 percent.

(b) The median value of a home in California of \$383,900 is 111.6 percent higher than the national median home value of \$181,400, yet the median household income of \$61,400 in California is only 15.7 percent higher than the national average of \$53,046. This may help to explain why only 56 percent of Californians own a home, far behind the national average of 65.5 percent.

(c) According to the Department of Housing and Community Development's 2001 report on local development fees, "California's high residential development fees significantly contribute to its high housing costs and prices." In fact, 15 years ago, local fees accounted for 10 to 15 percent of the cost of building a home. At that time, it was estimated that a reduction of local fees by half could increase home ownership by as much as 14 percent. Today, data from the California Building Industry Association shows local fees may account for 30 percent of the cost of a new home.

SEC. 2. Section 50464.5 is added to the Health and Safety Code, to read:

50464.5. (a) The department shall conduct a statewide survey of cities and counties to determine the total amount of fees and charges imposed on new home construction by local jurisdictions. The survey shall include the fees and charges imposed by at least 150 cities, at least one city within each county, and all 58 counties. These fees and charges shall include, but not be limited to, all of the following:

- (1) Planning and zoning fees.
- (2) Environmental documentation fees.
- (3) Building permit fees.

- 1 (4) Plan check fees.
- 2 (5) School fees.
- 3 (6) School mitigation fees.
- 4 (7) Highway, road, traffic, and transit fees.
- 5 (8) Water, wastewater, sewer, and drainage fees.
- 6 (9) Utility or water connection fees.
- 7 (10) Public safety fees.
- 8 (11) Capital facilities fees.
- 9 (12) Affordable housing fees and assessments.
- 10 (13) Parks and recreation fees.
- 11 (b) The department shall complete this survey and submit its
- 12 findings to the Senate Committee on Transportation and Housing
- 13 and the Assembly Committee on Housing and Community
- 14 Development by January 1, 2017, and every five years thereafter.